



VYFINANCE

Whitepaper

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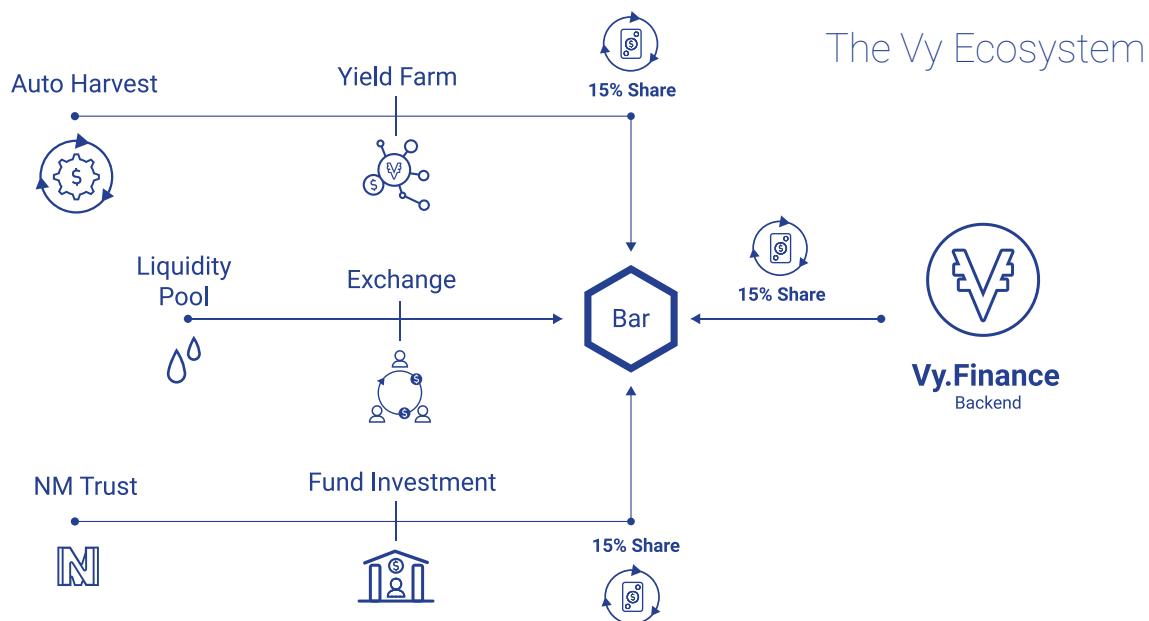
INTRODUCTION/ ABSTRACT/EXECUTIVE SUMMARY



VyFi is a Cardano Native Token (CNT), designed for Decentralized Finance (DeFi) applications. We are constructing a DeFi platform for new and experienced users alike, establishing a novel approach to the user interface and profit sharing mechanism being managed by the Auto-Harvester. Backed by an Australian proprietary firm, we are able to combine crypto with a real-world operation.

Some of the largest lending protocols have market capitalizations greater than \$1 billion (Aave, Compound), and some DEX's in the same position (UniSwap, SushiSwap, 1inch, etc). Cardano has a new, soon to be implemented Smart Blockchain, with a current value of \$42.5 Billion already locked in its token, ADA. Cardano currently also shows benefits in both speed and fee pricing. It is this emerging and beneficial market that Vy Finance hopes to be a part of, and use to its fullest capability.

The DeFi market is expanding rapidly. There have been hundreds of new projects in the last few months alone, each promising to change the world in their own way. VyFi aims to bring the existing functionalities of DeFi to the world with added tools and twists to better help the end-user. Our integration of a Neural Net into a liquidity aggregator (AKA an Auto Harvester), combined with the integration of our liquidity aggregator into our DEX, will make us uniquely identifiable in the DeFi space. Also planned is the ability to stake to a Hedge Fund - once licensing is finished - which is unique to the entirety of the cryptocurrency space.



INTRODUCTION/ ABSTRACT/EXECUTIVE SUMMARY



Our integration of a Neural Net into a liquidity aggregator (AKA an Auto Harvester), combined with the integration of our liquidity aggregator into our DEX, will make us uniquely identifiable in the DeFi space. Also planned is the ability to stake to a Hedge Fund - once licensing is finished - which is unique to the entirety of the cryptocurrency space.

The Vy Ecosystem is the entire system built on top of VyFi. It is all linked through the Vy Bar. This includes: The Auto-Harvester; liquidity pools, farms, and swaps (DEX); the International Markets Trust and the VyFi Bar (distribution mechanism); as well as any DApps made after release.

VyFi plans to bring Auto-Harvesting to Cardano, which will be optimized as much as possible thanks to our Neural Net. The Neural Net will be using ARIMA and a few other known metrics to measure risk of pools, impermanent loss, and momentum - all to find the best Yield Farms' to Auto-Harvest. This will allow new users to approach DeFi in a structured manner, where we can introduce users to risks involved in DeFi one by one. Our focus is on educating users on how these systems operate 'under the hood.' The Vy Harvester will also allow an option for the more hands-off DeFi user, who wants the ability to access the average return across the Cardano ecosystem, but either has a limited budget or limited time.

There will also be the unique ability to stake to the Hedge Fund: International Markets. This will allow staking fiat through our ecosystem, possible once ASIC has given us full licensing. Thus an effective onramp for those who are unwilling to undertake the learning-curve for decentralized markets, but willing to acknowledge the financial advantages it can provide.

Liquidity Pools and Swaps are exactly what existing users already know from DeFi. Our DEX will offer swapping between CNT's, as well as Yield Farming as a reward for providing liquidity to our pools. Our farms are the principal mechanism for releasing our native token, VyFi, into circulation.

CURRENT ISSUES WITHIN DeFi



DeFi platforms tend to lack intuitiveness, and have a rather large barrier to entry. This barrier exists from both a 'conviction' level of any particular DeFi platform, as well as technical approachability. Obstacles that exist for DeFi occur on both a personal and technological level. For example, Newcomers may find certain aspects of a platform hard to understand, or may be turned off by intimidating terms such as "Impermanent Loss."

With respect to these users just beginning their journey into crypto, there are a few barriers that stand in the way. One particular barrier gaining popularity is the lack of transparency of the team behind the project. In theory, smart contracts should be capable of being faceless and anonymous. In practice though, this gives malicious opportunists the ability to take advantage of DeFi protocols, and steal people's money with no ability for recourse. Furthermore, when faced with a new platform for the first time, users will often have very little information regarding the tokenomic, function and distribution method of the platforms they are using. Many platforms don't make this information readily available. Methods such as these are against the interest of investors, and hurt the confidence in those who are in control of your money. This is of paramount importance to the individual.

The technical barrier for entry can be observed in many existing platforms within this space. Many in the industry use a high level of jargon on their instruments, making their platforms less approachable for new users. When faced with a platform, if the user doesn't have an understanding of what they're looking at, they will be inclined to disengage rather than interact.

VyFi plans to be capable for new users to easily click and learn the jargon in front of them, while also allowing intermediate and advanced users to have their respective levels of desired control.

PROBLEMS SPECIFIC TO CARDANOS' UPCOMING LAUNCH



Cardano is anticipating opening crypto to new, and typically unbanked, masses. Currently the efforts are especially in Africa and Asia. Many of these individuals that are newly adopting Cardano have never held a bank account, let alone used DeFi.

Take the circumstance of an average Nigerian, who has adopted this new currency, saved 100ADA, and wishes to see what this new currency can offer him or her. Their first step, assuming they've set up a wallet, would be to research liquidity pools and lending protocols, so as to find optimal farming options within the Cardano ecosystem. If an individual has never before been faced with even a bank account, it is not reasonable that they will easily understand the process of successfully managing their finances within this emerging space.

This opens the possibility of two major risk factors:

Scams and Informational-Barriers (Accidents as well as confusion).

Given Cardano is looking to assist those that have never accessed the financial system before, it is likely to assume they do not have a large level of experience with digital scams. This makes them easy targets for professional scammers, who prey on those with low levels of financial education.

Also, due to a simple misunderstanding or mechanical error, these users can lose a significant portion of their savings. This can be done through errors in exchange, calculating liquidity ratios, mistaking liquidation price, the list goes on and on. These systems are not simple, and contain inherent risk, particularly when used by an individual who is not cognisant of the risk involved.

The Vy ecosystem aims to address these issues, by allowing these newer users an integrated automated layer, allowing them to engage with DeFi step-by-step. This will also be backed with educational material. Users wishing to learn and advance can do so and then, in their settings, allow for a more advanced version of the site. This would give them new tools and opportunities now that they're aware of risk. Users will be able to opt-in or opt-out of this at any time, albeit with a small warning for opting-out.

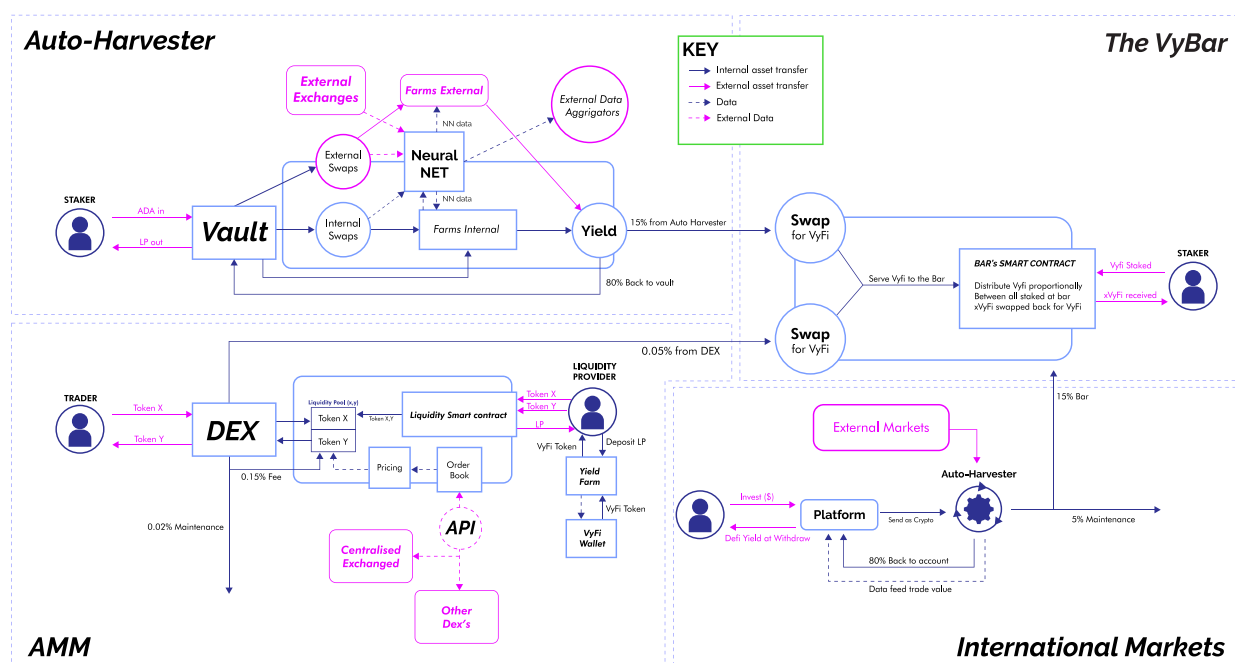
PRODUCT DESIGN



Vy Ecosystem

The Vy Ecosystem encompasses all of VyFi and any planned DApps associated - all linked through the Vy Bar smart contract. This includes: The Auto-Harvester, the liquidity pools, the International Markets Trust and the VyFi Bar (distribution mechanism). Post-release DApps and new goals are represented by the Vy.Finance symbol.

The Auto-Harvester is an automated Yield Farming tool (liquidity aggregator), that helps users engage with Yield Farming, whilst assisting them with automated management of the risk.



International Markets

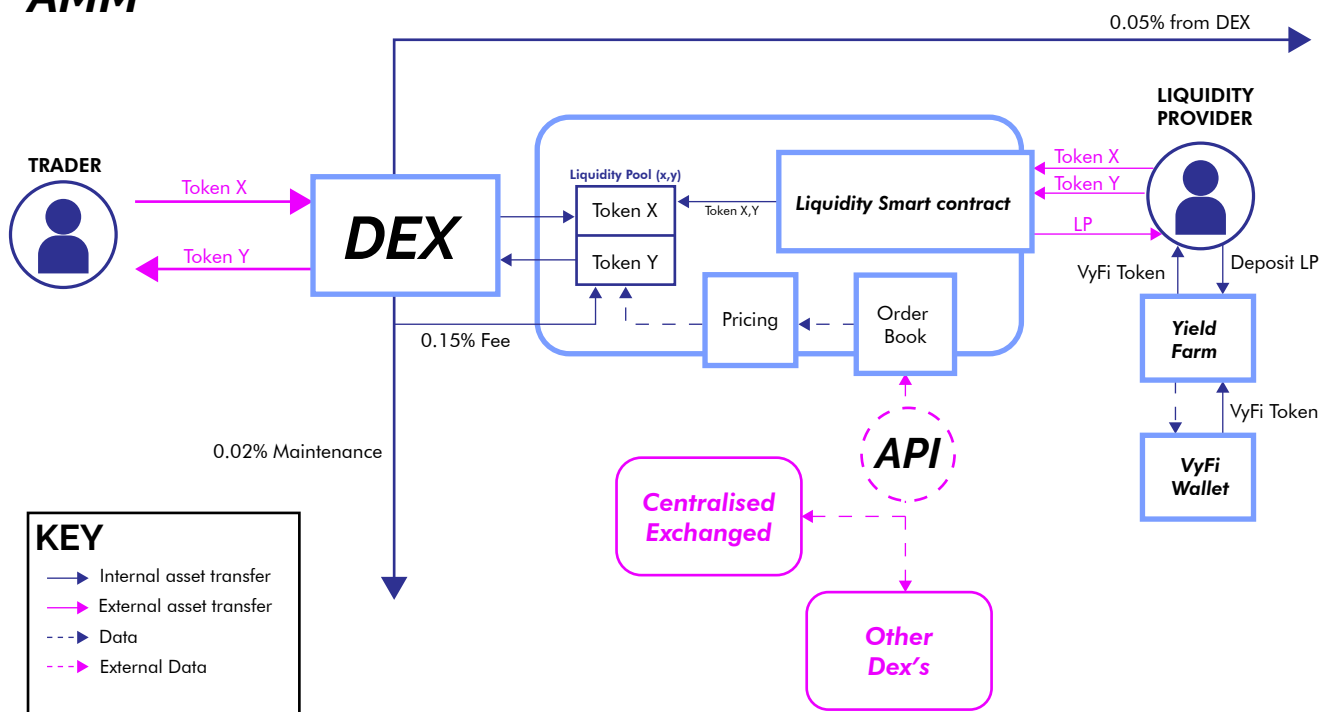
This is the name of our Proprietary-Trading Firm which is currently undergoing licensing to become a Hedge Fund. The principal purpose of this arm of the business is to allow individuals who wish an access point for crypto that is centralised, and more passive. Once licensing has been garnered to operate as an accredited investment firm (Australian Financial Services License, approx. 6 months - 1 year; already in progress), we will build a fiat on-ramp for our Auto-Harvester. This will allow individuals who do not wish to manually manage crypto themselves a fiat onramp to invest in the rewards available through DeFi. This will be kept as an attached-yet-separate entity so as to ensure the DeFi remains as Decentralized as possible. This offers users a method of accessing centralization through a freedom-oriented and secure channel, bringing the benefits of centralized-only processes to the decentralized world.

DECENTRALISED EXCHANGED (DEX)



Vy Decentralized Exchange will be built similar to the current generation exchanges available, with similar functionalities to Uniswap, PancakeSwap, etc. We intend on implementing a hybrid pricing model, with trader arbitrage used for pricing on higher liquidity tokens, and a yield-curve pricing model for tokens that fall below a certain level of liquidity to assist in a consistent pricing and reduce slippage for these smaller tokens.

AMM



This DEX will also allow for yield farming of VyFi. It is this farmed VyFi that can then be taken either to the Bar, re-staked in a farm, or to our Auto-Harvester. Farming VyFi is the principal mode through which the supply will be distributed to users of our system (with 85% of supply restricted to farm).

There is also speaking with multiple projects on Cardano for the prospect of launching with pools - where users can stake VyFi to earn other CNT's from across the Cardano ecosystem. Initial launch has confirmed a Charli3 pool.

VYFI BAR

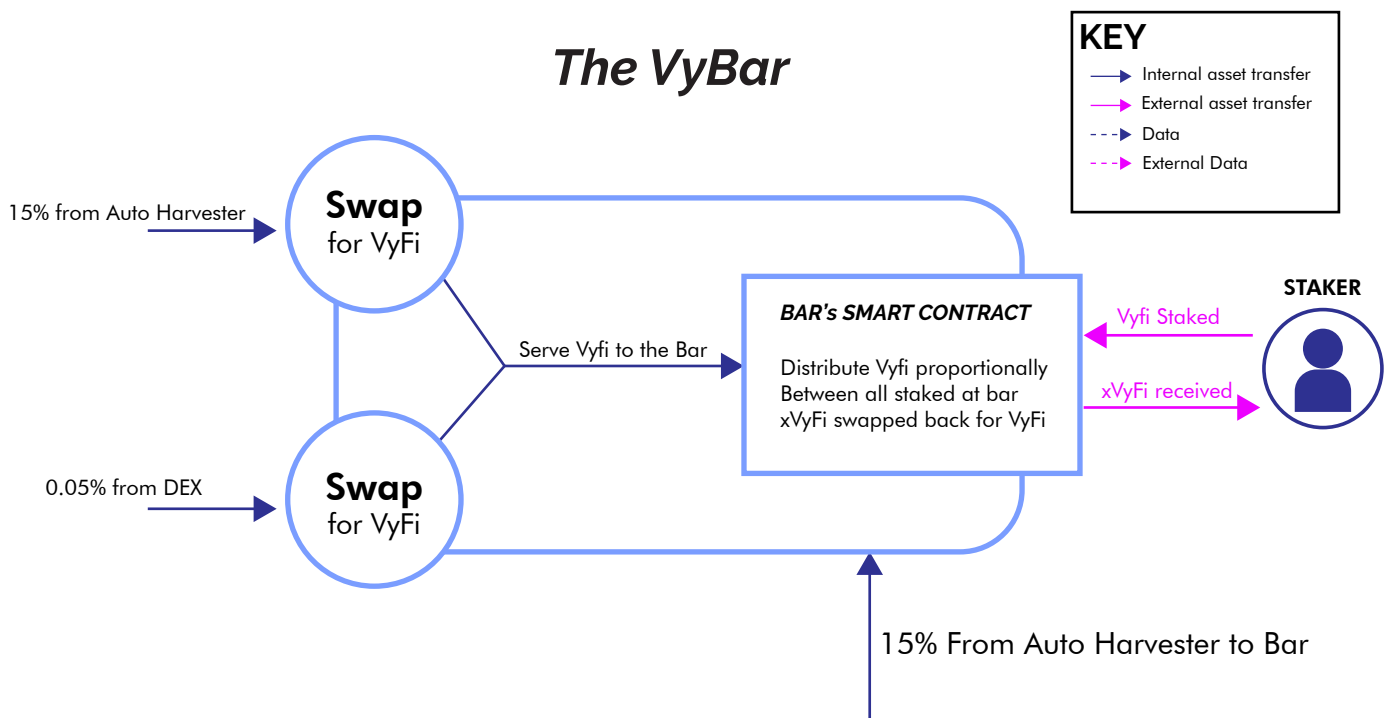


A Crypto Bar is a pool of funds that are drawn from multiple sources. Users can enter the Bar by staking their VyFi. The users would then receive their ownership token for the VyFi Bar, called xVyFi. The mathematics of the bar then follow that of proportional distribution from all income sources.

The VyFi Bar derives income from multiple sources:

- 1) 15% of all farm from the Auto-Harvester
- 2) 15% of the Income from our proprietary trading firm
- 3) 0.05% of all exchanges conducted on the DEX

The result of these income streams will increase the value of the Bar over time. Thus, when you stake 1 VyFi in exchange for xVyFi, the value of the xVyFi increases over time, giving you access to a natural return for holding VyFi Token.



THE AUTO-HARVESTER AND NEURAL NET AI

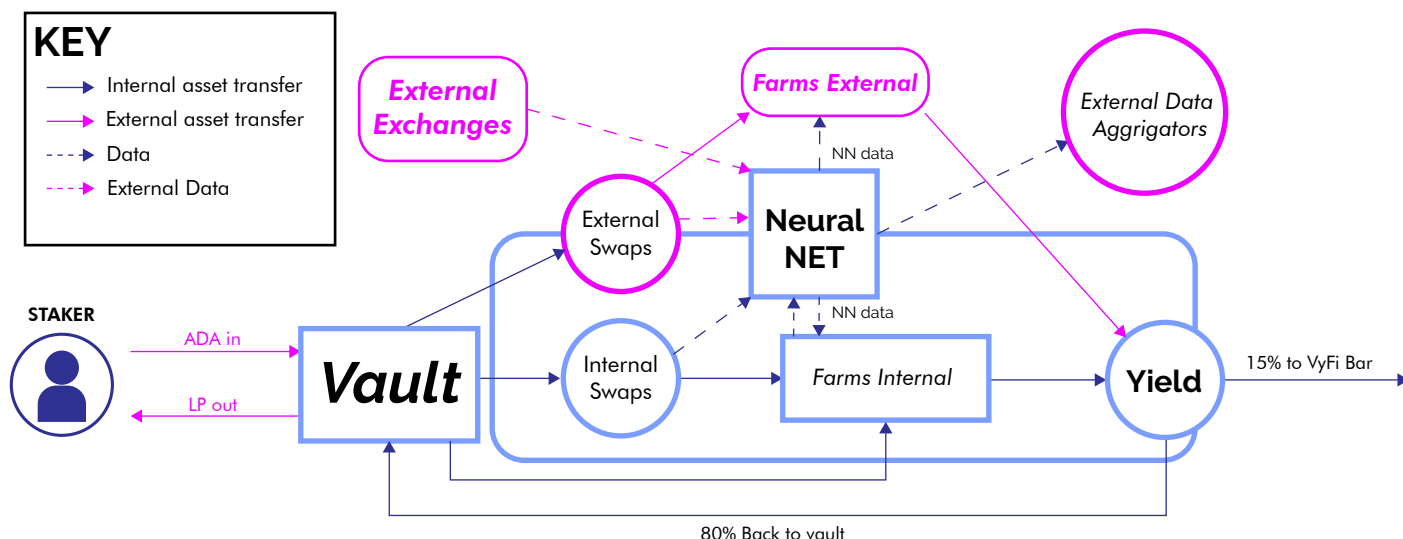


Vy Finance is currently working with the minds behind Propella.ai to produce a Neural Net AI. This AI will be used to both help International Markets calculate risk - as well as for the Auto-Harvester. The Neural Net will be using ARIMA, and other proprietary methods, to find the best liquidity pools, and auto-stake to it. This is reminiscent of other liquidity aggregators, but with a more advanced AI technology managing the system.

Down the line, the Neural Net will also provide functionality to the other trading platforms. Mathematics, such as finding and displaying impermanent loss, can be made more efficient with this design. In general, there will be metrics that have been produced from munged data that can be oracled, and used in trading strategies or to aid in the analysis of the crypto markets.

The Auto-Harvester exists to provide two functions: Assist new-comers in accessing more complex tools; and to give an option for traders to automatically generate the average return offered across the ADA ecosystem. The focus will be on simplicity and applicability for new-comers, as our principal focus is assisting on-ramp new users to the DeFi ecosystem, and guide them safely through the process of engaging with DeFi as a whole. Auto-Harvesters are automated to a point where fine-tuning isn't necessary, thus, there isn't a need for an "advanced mode." - the Neural Net will be constantly performing fine-tuning and then verifying the tuning.

Auto-Harvester



TOKENOMICS - VyFi

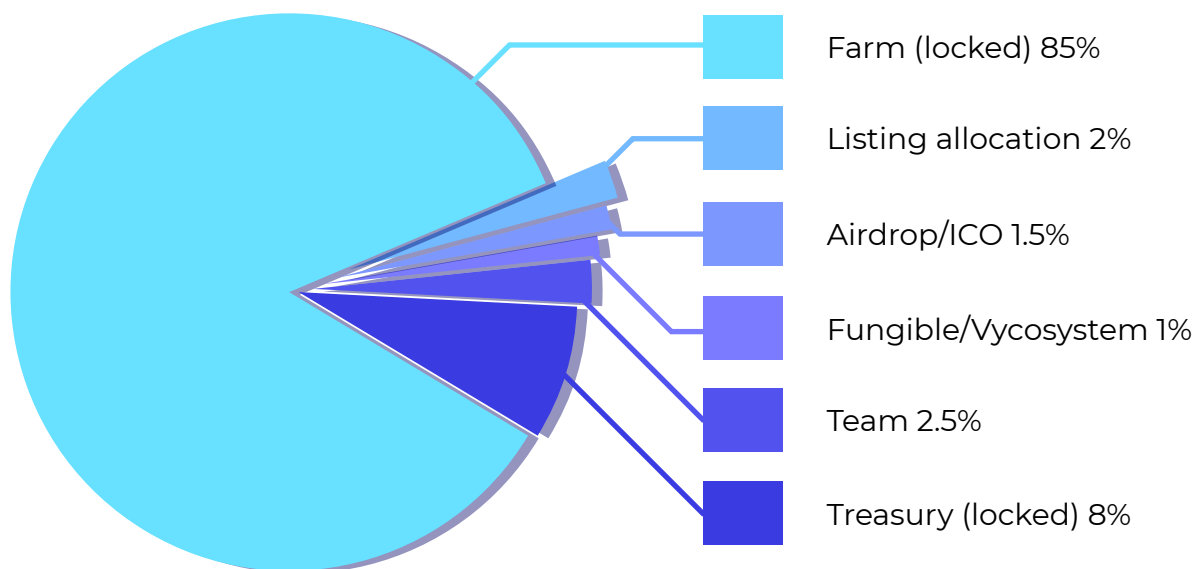


Total Supply/Fully Diluted Market Cap: 450 million

In the beginning there will be a large supply that will enable Yield Farming for an extended period of time. Around 85% of the token supply will be locked to yield farms. About 8% of the supply will be locked to our Treasury (controlled by the governance token). The team will receive a 2.5% share of supply, and this will be vested over a period of 4 years. Our expected market cap at launch will be between 0.5% - 1.5% of supply (depending on how well our ICO performs). This would give us a market cap between 2.25 - 6.75 million tokens on launch. Any amount that is left from this 1.5% after ICO will be locked equally between farm and the treasury.

It is worth noting that this will be with the Cardano token decimal count of 6 (Six). This is opposed to the typical 8 (Eight) seen in most cryptocurrencies.

Delegation:



TOKENOMICS - VyFi



Inflation

Since ownership of the token is the only way to stake at the VyFi Bar, there is an inbuilt distributive income from holding the token. As a percentage of all fee's/investment earnings on the site will be used to purchase the tokens on a weekly basis, the price will inflate with use of the platform. The liquidity provision payout ratio for the yield farms will decrease with time, also creating a reduced supply as time passes. Furthermore, the combined income from the Auto-Harvester will be distributed as VyFi, creating a continuous upward pressure on our token from the liquidity aggregator.

Burning Mechanism

There are intents to launch with a raffle that has a burn mechanism attached to it. This will be similar to PancakeSwap. Also launching with an official VyFi NFT that can be used as an avatar on the platform, but also provides access to higher level farms, and bonuses to certain farms on a rotating basis. This will not be available upon initial launch. The minting of these nft's will cost VyFi, and the majority of this VyFi will be burned.

How does VyFi enter circulation

Through the yield-farms. VyFi will be circulating with every block - at a decreasing rate until all 450 million have entered circulation.

Around 0.15% of total supply will be awarded through marketing, pre-ICO, ICO and airdrop. VyFi will also be obtainable through lending against margin.

Distributive Token

VyFi can be staked at the bar, to share in the profits of the entire ecosystem. This incentivises yield-farmers to hold the coin, as they gain access to income through doing so. Access to pools for other tokens across the Cardano ecosystem further incentivises users to hold our token.



Fundamental to the philosophy of VyFi is the concept that DeFi is built for the world, to change the world. This will be exemplified by offering users access to an educational learning management system (LMS) for how to engage with DeFi products safely, and introductory education on managing oneself with the crypto market.

The current plan is to allow access to all those staked at our Auto-Harvester (holding our Auto-Harvesters LP token) would be given access to the LMS - but this method of access may change by the time of launch.

This educational layer is designed to assist with onboarding new users to the world of DeFi, and to attempt to grow a community that is able to navigate this difficult space as safely as possible.

Governance Protocol

When a user holds VyFi in their wallet, they will be able to vote on any changes that take place to the protocol, or subsequently, the Vy Ecosystem. This is both from a technical standpoint (changes to smart contracts, DApp function, etc.), and a direction stand point (should we focus on improving x, or trying to implement y, etc.).

Treasury

The governance protocol will also have control over the Treasury. This is a pool of funds that can be drawn upon to conduct tasks that are deemed worthwhile by the governance protocol. This could include anything from increased funding for an expansion to app functions, through to funds to sponsor an event for our users if there is the demand. The treasury will be locked until voted upon by the community for the task that needs to be accomplished.

This governance protocol will be managed through Snapshot, and will give users on our platform a say on how it is run. Users will also be able to bring proposals to the table for voting.

SUMMARY



We at Vy Finance and our Vy Ecosystem present ourselves as a 2-layer implementation of a DEX, which allows users a structured approach in learning how to interact and invest in DeFi. By allowing users a top level, automated layer to manage the difficulties that arise in Yield Farming, and giving these same users the educational tools to develop their understanding, and move onto the management of their own funds safely. This supportive layer allows for an approachable access to DeFi for users that aren't familiar, or lack the confidence to manage it on their own. All while giving experts the tools and freedom they need.

Furthermore, our implementation of a Neural Net into our DEX is a first-to-market interpretation of AI within Liquidity Agregators, giving us the opportunity to explore this new area of AI integration into the block-chain using new and innovative approaches, both mathematically, and functionally.

The integration of International Markets Hedge Fund (when ready) will also be a first in crypto, and will provide users with options for when the crypto market behaves differently.

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